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Joe Courtney
Congress of the United States
2nd District, Connecticut

WASHINGTON OFFICE:

215 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
P (202) 225-2076
F (202) 225-4977

DISTRICT OFFICE:

101 WATER STREET, SUITE 301
NORWICH, CT 06360
P (860) 886-0139
F (860) 886-2974

77 HAZARD AVENUE, UNIT J
ENFIELD, CT 06082
P (860) 741-6011
F (860) 741-6036

September 28, 2009

Rear Admiral Nevin P. Carr, Jr.
Chief of Naval Research
Office of Naval Research
One Liberty Center, Suite 1425
875 North Randolph Street
Arlington, VA 22203-1995

Dear Admiral Carr:

I am writing today for an update on the pending award of a follow-on contract for development of a UUV application Alion's Ubiquitous Continuous Active Sonar (UCAS) technology.

It is my understanding that the company's proposal for the follow-on contract for this project (Alion Proposal 4766A, CAS-LUUV Phase II) was submitted to ONR in April, 2009. However, as recently as two weeks ago, ONR indicated that the government did not want to accept the company's data rights assertions and instead sought "government purpose" rights. This was a surprising development, given that current contract dates back to September 2008.

At present, it is my understanding that the company has submitted a thorough background paper to ONR on September 11, 2009 and is awaiting a response. I am hopeful that this issue can be resolved in a timely manner to ensure the productive obligation of this contract and its associated funds.

To this end, I respectfully request a reply to this letter detailing the background on this issue, as well as an explanation of this contract's status and why it has not yet been awarded.

I look forward to your timely response. I have attached additional information on this matter that you may find useful. You may contact me, or my Legislative Director Neil McKiernan at (202) 225-2076 for additional information or any follow-up.

Sincerely,


JOE COURTNEY
Member of Congress

ALION BUSINESS SENSITIVE

Alion ONR Contract IP White Paper
September 24, 2009

The following outlines the issues regarding the pending award of a follow-on contract for development of a UUV application for ONR based on Alion's Ubiquitous Continuous Active Sonar (UCAS) technology. A brief timeline of internal development through patent award and reduction to practice prior to any contract award is included as an attachment. Alion asserts that it properly owns and should retain the rights to this technology, and that the U.S. Government should not obtain Government Purpose Rights (GPR) to this technology, except for specific program products, the development of which is paid for with Government funds.

Background: UCAS is an advanced version of Continuous Active Sonar Technology, details of which are classified. Like UCAS, CAS was also developed at private expense and then evaluated under contract with the U.S. Navy. CAS is an on-going effort under a sole source award with PEO IWS5, and is now transitioning into the SQQ-89 under special license (for only that application) with the government.

The evaluation of UCAS technology (software and processes) for the UUV application is being conducted under a series of BAA awards with the Office of Naval Research. The first award occurred in September 2008 (contract #N00014-08-C-0298), was funded with an FY07 Congressional mark, and included the appropriate contractual mechanisms to assert Alion's intellectual property rights, which were accepted by ONR.

Issue to be Addressed: Alion's proposal for the follow-on contract (Alion Proposal 4766A, CAS-LUUV Phase II), that includes this technology and continues the development of this UUV application enabled by Alion's UCAS technology, a) was submitted to ONR in April 2009 and b) funded by in the FY08 DOD Appropriations Act. Alion was informed by ONR about two weeks ago that the Government did not want to accept the company's data rights assertions under this contract and sought Government purpose rights. Alion believes there was a lack of understanding by the Government (ONR) for the basis of the company's claims due to the change in ONR PM (currently Dr. John Muench, ONR 333) since the currently active contract award in September 2008. As a result Alion provided a thorough background white paper to ONR on Sept 11th and continue to await a response. This IP issue is the only item holding up an award. All other negotiations are complete. Alion understands that ONR contracts must move forward with this action immediately in order to ensure the funds are obligated by the end of this fiscal year.

The work being done under these contracts is to develop and evaluate an application enabled by Alion's technology. Unless otherwise approved by the Government, no Government funds are being expended to further develop the technology. All items otherwise developed under Government funds are to be provided to the Government with Government rights.

The company has invested and continues to invest its IR&D funds in this technology. Alion believes it is a "game changer" in ASW, is applicable to a large range of applications, and is a key element to the health and growth of its operation in Mystic.

ALION BUSINESS SENSITIVE

Attachment 1

As background the following represents the timeline for Alion funded UCAS development

- UAS/UCAS Internal Research and Development Effort:
- Initial concept developed: May 2005
- Initial Performance analysis completed: December 2005
- Signal processing rejection analysis completed: Sept 2006
- Fully functional UCAS signal processing code design completed: November 2006
- Provisional Ubiquitous Active Sonar patent filed with the US Patent and Trademark Office: December 2006
- UCAS signal processing software simulation/stimulation testing completed: March 2007
- In water experiments and reduction to practice demonstrated: July 2007
- Final Ubiquitous Active Sonar patent filed with the US Patent and Trademark Office: December 2007
- Navy funded UCAS research and application development effort:
 - ONR contract N00014-08-C-0298 issued: September 2008



DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
875 NORTH RANDOLPH STREET
SUITE 1425
ARLINGTON VA 22203-1995

IN REPLY REFER TO:

27 October 2009

The Honorable Joseph D. Courtney
House of Representatives
Washington, DC 20515

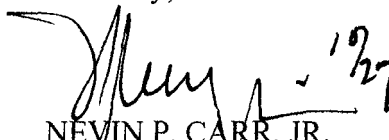
Dear Mr. Courtney:

Thank you for your letter of September 28, 2009, requesting the status of contract award efforts for development of an unmanned underwater vehicle (UUV) application for ubiquitous continuous active sonar.

The Office of Naval Research reached an accommodation with Alion over the data rights and subsequently awarded a contract for development of continuous active sonar – large unmanned underwater vehicle to Alion on 30 September 2009.

Thank you for your continued support of Navy Science and Technology. If I can be of further assistance, please let me know.

Sincerely,



NEVIN P. CARR, JR.
Rear Admiral, U.S. Navy
Chief of Naval Research